

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
FINANCIAL STATEMENTS
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **OCT 12 2011**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Warren Easton High School Foundation, Inc.
New Orleans, Louisiana

We have audited the accompanying statement of financial position of Warren Easton Senior High School Foundation, Inc. (the School) as of June 30, 2011 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the School's 2010 financial statements and, in our report dated September 16, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Warren Easton Senior High School Foundation, Inc. as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 26, 2011 on our consideration of Warren Easton Senior High School Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Silva Gurtner & Albney, LLC

September 26, 2011

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

	<u>2011</u>	<u>2010</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 8,655,129	\$ 8,490,969
Restricted cash	145,835	245,478
Grants receivable	1,039,850	754,606
Pledges receivable	-	197,500
Miscellaneous receivables	118,577	1,151
Inventory	16,189	21,634
Prepaid expenses	39,877	-
Total current assets	10,015,457	9,711,338
Property and equipment, net	582,493	919,136
Construction in progress	-	667,144
TOTAL ASSETS	<u><u>\$ 10,597,950</u></u>	<u><u>\$ 11,297,618</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 109,975	\$ 186,500
Total liabilities	109,975	186,500
Net assets		
Unrestricted		
Undesignated	8,402,935	8,999,077
Board designated	1,866,563	1,866,563
Temporarily restricted	218,477	245,478
Total net assets	10,487,975	11,111,118
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 10,597,950</u></u>	<u><u>\$ 11,297,618</u></u>

See accompanying independent auditors' report and notes to financial statements.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2011 Totals</u>	<u>2010 Totals</u>
Revenues and other support				
Contributions	\$ 13,340	\$ 225,311	\$ 238,651	\$ 755,309
Grants				
Federal	1,311,735	-	1,311,735	1,248,487
State	46,909	-	46,909	109,229
Local Minimum Foundation Program	3,544,995	-	3,544,995	3,890,967
State Minimum Foundation Program	3,278,465	-	3,278,465	3,114,981
Other	6,203	-	6,203	-
Student activity fees	294,521	291,623	586,144	736,306
Interest income	1,235	-	1,235	37,935
Other revenues	92,954	-	92,954	17,162
Net assets released from restrictions	543,935	(543,935)	-	-
Total revenues and other support	9,134,292	(27,001)	9,107,291	9,910,376
Expenses				
Salaries	4,518,442	-	4,518,442	4,503,718
Student activities	672,603	-	672,603	894,528
Donation	68,350	-	68,350	50,062
Depreciation	398,488	-	398,488	470,490
Employee benefits	1,237,719	-	1,237,719	1,032,212
Equipment rental	18,341	-	18,341	9,300
Food services	25,920	-	25,920	25,470
Insurance	111,400	-	111,400	104,645
Miscellaneous	49,859	-	49,859	44,087
Other services	64,452	-	64,452	57,673
Professional services	130,486	-	130,486	80,328
Repairs and maintenance	183,419	-	183,419	312,082
Shared services	282,007	-	282,007	292,353
Supplies				
Instructional	153,787	-	153,787	62,020
Other	194,467	-	194,467	215,511
Transportation services	553,483	-	553,483	425,891
Travel	35,108	-	35,108	57,625
Utilities	207,661	-	207,661	217,219
Total expenses	8,905,992	-	8,905,992	8,855,214
Increase (decrease) before extraordinary item	228,300	(27,001)	201,299	1,055,162
Extraordinary donation	824,442	-	824,442	-
Increase (decrease) after extraordinary item	(596,142)	(27,001)	(623,143)	1,055,162
Net assets at beginning of year	10,865,640	245,478	11,111,118	10,055,956
Net assets at end of year	\$ 10,269,498	\$ 218,477	\$ 10,487,975	\$ 11,111,118

See accompanying independent auditors' report and notes to financial statements.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

	<u>Program Expenses</u>	<u>Administrative Expenses</u>	<u>Fund Raising Expenses</u>	<u>2011 Totals</u>	<u>2010 Totals</u>
Expenses					
Salaries	\$ 3,837,937	\$ 609,726	\$ 70,779	\$ 4,518,442	\$ 4,503,718
Student activities	672,603	-	-	672,603	894,528
Donation	-	-	68,350	68,350	50,062
Depreciation	-	398,488	-	398,488	470,490
Employee benefits	1,051,311	167,020	19,388	1,237,719	1,032,212
Equipment rental	-	18,341	-	18,341	9,300
Food services	23,328	2,592	-	25,920	25,470
Insurance	-	111,400	-	111,400	104,645
Miscellaneous	2,991	45,372	1,496	49,859	44,087
Other services	-	64,452	-	64,452	57,673
Professional services	123,962	6,524	-	130,486	80,328
Repairs and maintenance	174,248	9,171	-	183,419	312,082
Shared services	253,806	28,201	-	282,007	292,353
Supplies					
Instructional	138,408	12,303	3,076	153,787	62,020
Other	175,020	3,889	15,558	194,467	215,511
Transportation services	553,483	-	-	553,483	425,891
Travel	16,149	18,959	-	35,108	57,625
Utilities	207,661	-	-	207,661	217,219
	<u>\$ 7,230,907</u>	<u>\$ 1,496,438</u>	<u>\$ 178,647</u>	<u>\$ 8,905,992</u>	<u>\$ 8,855,214</u>

See accompanying independent auditors' report and notes to financial statements.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 201,299	\$ 1,055,162
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	398,488	470,490
Donation of property and equipment to New Orleans Public Schools	68,350	-
(Increase) decrease operating assets:		
Grants receivable	(285,244)	1,680,164
Pledges receivable	197,500	(197,500)
Miscellaneous receivables	(117,426)	80,428
Inventory	5,445	7,634
Prepaid expenses	(39,877)	2,000
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(76,525)	795
Net cash provided by operating activities	352,010	3,099,173
Cash flows from investing activities		
Purchases of property and equipment	(287,493)	(876,984)
Net cash used in investing activities	(287,493)	(876,984)
Net increase in cash and cash equivalents	64,517	2,222,189
Cash and cash equivalents at beginning of year	8,736,447	6,514,258
Cash and cash equivalents at end of year	<u>\$ 8,800,964</u>	<u>\$ 8,736,447</u>
Reconciliation of cash and cash equivalents to the statement of financial position		
Cash and cash equivalents	\$ 8,655,129	\$ 8,490,969
Restricted cash	145,835	245,478
Total cash and cash equivalents	<u>\$ 8,800,964</u>	<u>\$ 8,736,447</u>

See accompanying independent auditors' report and notes to financial statements.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Warren Easton Senior High School Foundation, Inc. d/b/a Warren Easton Charter High School (the School), incorporated on March 21, 2006, is an educational institution organized to improve student learning, increase learning opportunities for all students, encourage the use of innovative teaching methods and a variety of governance, management, and administrative structures, be more thoroughly accountable for educational results, and create new professional opportunities for teachers and other employees.

The Orleans Parish School Board (OPSB) is renewing the granting of a charter to the School effective July 1, 2011 for a period ending on June 30, 2017, to operate a Type 3 Charter School, as defined in LA R.S. 17:3973 (3) (b). As of the date of this report, both parties have agreed to the terms of the charter renewal and are in the process of executing the agreement (see NOTE I).

Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The School follows the guidance of FASB ASC 958-205 (formerly Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations). Under FASB ASC 958-205, the School is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted Net Assets – Net assets are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed restrictions that will be met by the actions of the School of the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed restrictions that are required to be maintained permanently by the School. Generally, the donors of these assets stipulate that the income earned on related investments should be used for specific purposes. For the years ended June 30, 2011 and 2010, there were no permanently restricted net assets.

In addition, the School is required to present a statement of cash flows.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the School's financial statements for the year ended June 30, 2010 from which the summarized information was derived.

Cash and Cash Equivalents

Cash, which is held in interest bearing accounts, consists of both unrestricted and restricted balances. Unrestricted cash balances represent cash available for general operating purposes. Restricted cash balances consist of amounts credited to the School's bank accounts from donations received from individuals or entities who stated specific use of the contribution.

The school classifies all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Grants Receivable

The grants receivable are stated at the amount management expects to collect from outstanding balances. The financial statements do not include an estimate for allowance for doubtful accounts. Management believes that all receivables are collectible.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

All promises to give are recognized as assets and revenues. The School had no conditional promises to give as of June 30, 2011. The School had \$197,500 conditional promises to give for the substantial completion of the health clinic as of June 30, 2010.

Inventory

Inventory consists of items that are sold at the School's store, The Eagles' Nest. Items sold at the store include sweaters, T-shirts, socks, school supplies, etc. Inventory on the financial statements is valued at cost.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Property and Equipment

Property and equipment obtained with non-public funds are the property of the School and are capitalized at cost. It is the School's policy to capitalize expenditures for these items in excess of \$2,500. Assets donated are carried at fair market value on the date of donation, net of accumulated depreciation. Depreciation is provided utilizing the straight-line method over the estimated useful lives of 40 years for leasehold improvements and 3 years for equipment.

Compensated Absences

All employees accrue 10 days of leave each year. At the end of the year, unused days are rolled over to the Teacher's Retirement System of Louisiana (TRSL). The School does not compensate employees for unused sick days.

Contributions and Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is recognized as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Revenues from federal and state grants are recorded when the School has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by the School, or when earned under the terms of the grants.

In-Kind Support

The School records the in-kind value of goods and services contributed to support various activities as support and related expenses. There was no in-kind support for the year ended June 30, 2011. In-kind support for instructional supplies and professional services was \$5,705 for the year ended June 30, 2010.

Income Taxes

The School has received a tax-exempt ruling under section 501(c)(3) from the Internal Revenue Service and, accordingly, is not subject to Federal income tax unless the School has unrelated trade or business income. Management has evaluated its tax positions and has determined that there are no uncertainties in income taxes that require adjustments to or disclosures in the financial statements.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fundraising Expenses

All expenses associated with fundraising activities are expensed as incurred, including those expenses related to fundraising appeals in a subsequent year.

Allocated Expenses

The costs of providing the various programs and other activities are summarized in Note J. Certain expenses have been allocated among the programs and supporting services based on management's estimate of the costs involved.

NOTE B – RESTRICTION ON ASSETS

Temporarily restricted net assets are restricted by donors for specific programs, purposes, or to assist specific departments of the School. These restrictions are considered to expire when payments for restricted purposes are made. None of the temporarily restricted net assets are time-restricted by donors.

Temporarily restricted net assets at June 30, 2011 and 2010 were for the following purposes:

	2011	2010
Student activities funds	\$ 95,310	\$ 123,723
Wellness	6,390	-
Hall of Fame scholarships	57,692	44,349
Auditorium lighting	30,000	30,000
Academic enhancements	27,460	43,307
Gymnasium lockers	-	2,130
Library books and other	1,625	1,969
	<hr/>	<hr/>
Total temporarily restricted net assets	\$ 218,477	\$ 245,478

The School does not have permanently restricted net assets as of June 30, 2011 and 2010.

NOTE C – CONCENTRATION OF CREDIT RISK

The School maintains cash balances at one financial institution. Accounts are insured by the Federal Deposit Insurance Commission (FDIC) up to \$250,000 per institution at June 30, 2011 and 2010, respectively. At June 30, 2011 and 2010, cash deposits in excess of the FDIC insured limits were \$8,617,853 and \$8,604,638, respectively.

In order to insure cash deposits in excess of the FDIC insured limit, \$8,559,934 and \$8,508,637 of the total cash balances was maintained in the Federated Government Obligations Tax Managed Fund as of June 30, 2011 and 2010, respectively.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30:

	<u>2011</u>	<u>2010</u>
Leasehold improvements	\$ 611,145	\$ 595,192
Equipment	1,408,468	1,363,130
Construction in progress	<u>-</u>	<u>667,144</u>
Total	2,019,613	2,625,466
Accumulated depreciation	<u>(1,437,120)</u>	<u>(1,039,186)</u>
Net book value	<u>\$ 582,493</u>	<u>\$ 1,586,280</u>

Depreciation expense for the year ended June 30, 2011 and 2010 totaled \$398,488 and \$470,490, respectively.

NOTE E – LINE OF CREDIT

The School maintains a \$1,750,000 line of credit with a local financial institution, which bears interest at the Lender's Prime Rate, was due May 18, 2011 and was extended to August 8, 2011. The line of credit is unsecured. At June 30, 2011 and 2010, the School had no outstanding borrowings under the line of credit.

NOTE F – RETIREMENT PLAN

Substantially all employees of the School participate in the Teacher's Retirement System of Louisiana (TRSL). This system is a cost sharing, multiple-employer governmental defined benefit plan qualified under Section 401(a) of the Internal Revenue Code. The plan provides retirement benefits as well as disability and survivor benefits to eligible participants. The TRSL issues publicly available financial reports that include financial statements and required supplementary information of the TRSL. That report may be obtained by writing the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123.

Participants vest immediately in employee contributions to the plan. Retirement benefits vest after five years of service if the employee reaches age sixty; otherwise, benefits vest after twenty years of service. Benefits are established and amended by state statute. Upon retirement, participants may select from eight retirement payment options.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

NOTE F – RETIREMENT PLAN, continued

Participants are required to contribute to the plan 8% of the annual covered payroll. For the years ended June 30, 2011 and 2010, the School is required to contribute 20.2% and 15.5%, respectively, each year of the annual covered payroll of each participating employee. Starting July 1, 2011, the System rate was increased to 23.7%. These contribution levels are established by law and set by the Public Retirement Systems Actuarial Committee. For the years ended June 30, 2011 and 2010, the School contributions to the plan totaled \$809,871 and \$616,637, respectively.

NOTE G – GRANTS

The United States Department of Education awarded a grant to Orleans Parish School Board, which was awarded to the School as a subrecipient, to help ensure that all children meet challenging state academic standards. The grant funds must be used to provide additional academic support and learning opportunities to help low-achieving children master challenging curriculum and meet state standards in core academic subjects. For the years ended June 30, 2011 and 2010, the School recognized revenue under this grant of \$698,129 and \$839,711, respectively.

The United States Department of Education awarded a grant to Orleans Parish School Board, which was awarded to the School as a subrecipient, to assist school administrators and personnel in restarting school operations, reopening schools, and reenrolling students. The grant funds must be used for recovery of information, financial operations, replacement of instructional materials, redevelopment of instructional plans, and initiating and maintaining education and support services. For the year ended June 30, 2011, the School recognized no revenue under this grant. For the year ended June 30, 2010, the School recognized revenue under this grant of \$9,195.

The United States Department of Education awarded a grant to Orleans Parish School Board, which was awarded to the School as a subrecipient, to increase academic achievement through strategies such as improving teacher and principal quality and increase the number of highly qualified teachers, principals, and assistant principals. The grant funds must be used to assist schools in effectively recruiting and retaining highly qualified teachers and to make available professional development activities that address subject matter knowledge and other activities. For the years ended June 30, 2011 and 2010, the School recognized revenue under this grant of \$120,400 and \$107,015, respectively.

The United States Department of Education awarded a grant to Orleans Parish School Board, which was awarded to the School as a subrecipient, to assist in the reformation of elementary and secondary education. The grant funds must be used to support education reform efforts, implementing promising educational reform programs and school improvement programs which rely on scientifically based research. The grant also provides as a continuing source of innovation and educational improvement including support programs, that provide library services and instructional services and media materials. The grant also provides for the development and implementation of education programs to improve school, student, and teacher performance. For the year ended June 30, 2011, the School recognized no revenue under this grant. For the year ended June 30, 2010, the School recognized \$31,410 in revenue under this grant.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

NOTE G – GRANTS, continued

The United States Department of Education awarded a grant to Orleans Parish School Board, which was awarded to the School as a subrecipient, to assist in the long-term planning needs for the school. The grant funds must be used to address both current needs for educational success and the long-term planning needs of the school. For the years ended June 30, 2011 and 2010, the School recognized revenue under this grant of \$5,507 and \$21,514, respectively.

The United States Department of Education awarded a grant to Orleans Parish School Board, which was awarded to the School as a subrecipient, to provide a disciplined environment conducive to learning, by preventing violence in and around the school. The grant also aims to strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs. The grant funds must be used to convey a clear and consistent message that illegal use of alcohol and other drugs is wrong and harmful. For the year ended June 30, 2011, the School recognized no revenue under this grant. For the year ended June 30, 2010, the School recognized \$4,736 in revenue under this grant.

The State of Louisiana provides funding which is determined on an annual basis based on the number of pupils enrolled in the School as of October 1st. This state funded per pupil allocation is based on the most recently approved minimum foundation program formula resolution. For the years ended June 30, 2011 and 2010, the School recognized revenue under this program of \$3,386,427 and \$3,114,981, respectively.

The Orleans Parish School Board provides funding which is determined on an annual basis based on the number of pupils enrolled in the School as of October 1st. Revenues are received by the Orleans Parish School Board from sales tax revenues, ad valorem taxes, and other sources. For the years ended June 30, 2011 and 2010, the School recognized revenue related to these sources of \$3,544,995 and \$3,890,967, respectively.

The United States Department of Education awarded a grant to Orleans Parish School Board, which was awarded to the School as a subrecipient, to support the creation of community learning centers that provide academic enrichment opportunities during non-school hours for children, particularly students who attend high-poverty and low-performing schools. The program helps students meet state and local student standards in core academic subjects, such as reading and math; offers students a broad array of enrichment activities that can complement their regular academic programs; and offers literacy and other educational services to the families of participating children. For the year ended June 30, 2011, the School recognized no revenue under this grant. For the year ended June 30, 2010, the School recognized \$185,343 in revenue under this grant.

The United States Department of Education awarded a grant to Orleans Parish School Board, which was awarded to the School as a subrecipient, to help them ensure that children with disabilities, have access to a free appropriate public education to meet each child's unique needs and prepare each child for further education, employment, and independent living. For the years ended June 30, 2011 and 2010, the School recognized revenue under this grant of \$88,517 and \$98,577, respectively.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

NOTE H – RELATED PARTY TRANSACTIONS

During fiscal years 2011 and 2010, the School had related party expenses totaling \$325,261 and \$348,299 with Orleans Parish School Board, the School's Local Educational Agency (LEA); shared services, which are the IT services provided by the LEA, account for \$143,379 and \$152,231 of the related party expenses, respectively. The Louisiana Legislature approved a 2% administrative fee to be paid by all charter schools to Orleans Parish School Board. For the years ended June 30, 2011 and 2010, the School paid \$138,629 and \$140,122 in administrative fees to Orleans Parish School Board. The remaining related party expenses of \$25,920 and \$25,470, respectively, are for the Food Services provided by the LEA for meals at the School. The school also paid the LEA \$17,333 and \$15,210 for Talented Music & Theater instruction for students, respectively. For the year ended June 30, 2011, the School has a receivable of \$119,082 due from the LEA, \$105,803 is associated with Edujobs and \$13,279 is associated with 21st Century expenses. For the year ended June 30, 2010, the School had a receivable of \$13,279 due from the LEA associated with 21st Century expenses.

NOTE I – SCHOOL OPERATION/LEASEHOLD INTEREST

The School is renewing the operating agreement with the Orleans Parish School Board (OPSB), which allows the School to use the facilities and contents located at 3019 Canal Street, New Orleans, LA 70119, or any other locations that may be approved by the School and the Orleans Parish School Board. This agreement will expire on June 30, 2017. The agreement may be renewed at the option of the Orleans Parish School Board. The School pays an annual usage fee to the OPSB of \$158,843. For the fiscal year 2012, the School is responsible for half of the annual usage fee. The School Board can increase this fee prior to the next fiscal year based on the actual cost of flood and property insurance they are able to obtain. Management expects OPSB to execute this agreement in the near future.

The School is responsible for all necessary maintenance to ensure that the facilities comply with all state and local health and safety standards and other applicable laws, regulations, and rules. If capital improvements are made by the School with non-public funds to any site which it operates, and the charter contract is revoked or terminated, the School will be reimbursed for the fair market value of such capital improvements. Assets purchased with public funds or obtained from public sources will automatically revert to the Orleans Parish School Board at the time the agreement is terminated. The School must maintain records of any assets acquired with private funds that will remain the property of the School.

The School also has the rights to use computers and kitchen equipment that are owned by Orleans Parish School Board for no fee.

Use of the property and equipment is not recorded as an in-kind contribution from the Orleans Parish School Board as the value of the use of the land and building is not readily determinable. The agreement is classified as an exchange transaction because both parties receive significant value from this arrangement. Accordingly, the present value of the benefit to be received in future years has not been recorded.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

NOTE J – FUNCTIONAL ALLOCATION OF EXPENSES

Expenses have been reported on the statement of functional expenses by natural classification. To present expenses by functional classifications, expenses are charged to program services and supporting services (management and general expense and fundraising expense) based on management's estimate of periodic time and expense evaluations. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the School.

Total expenses for the years ended June 30, 2011 and 2010 were allocated as follows:

	2011	2010
Program services	\$ 7,230,907	\$ 7,218,713
Supporting services:		
Management and general	1,496,438	1,480,385
Fundraising	178,647	156,116
	<u>\$ 8,905,992</u>	<u>\$ 8,855,214</u>

NOTE K – COMMITMENTS

The School has employment contracts with most of its employees. The contracts for the current year expired June 30, 2011. All contracts provide for a minimum annual salary and other benefits.

NOTE L – RISK MANAGEMENT

The School is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage for the year ended June 30, 2011.

NOTE M – EXTRAORDINARY DONATION

On August 6, 2010, the School completed the construction of a health clinic on the campus and promptly donated the health clinic, including total construction costs of \$824,442, to the Orleans Parish School Board. As part of the agreement, the School is responsible for all operating expenses associated with the health clinic as well as any expense associated with the upkeep and maintenance of the property. In return, the School is allowed full use of the facilities for students, faculty, and staff.

NOTE N – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 26, 2011, and determined that no events occurred that require disclosure. No subsequent events occurring after that date have been evaluated for inclusion of these financial statements.

SUPPLEMENTARY INFORMATION

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

<u>Federal Grantor/Pass-through Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Education			
Pass-through programs from:			
Louisiana Department of Education -			
Orleans Parish School Board			
Title I, Part A Cluster			
Title I - Grants to Local Educational Agencies - Part A - Basic	84.010A	28-09-T1-36	\$ 718,461
Total Title I, Part A Cluster			718,461
Special Education Cluster (IDEA)			
ARRA - Special Education - Grants to States - IDEA Part B	84.391	28-09-B1-36	62,897
Special Education - Grants to States - IDEA Part B	84.027	28-09-B1-36	25,620
Total Special Education Cluster (IDEA)			88,517
Other Department of Education Programs			
Title II - Teacher & Principal Training & Recruitment Fund	84.367A	28-09-50-36	115,916
Title IV - Safe and Drug Free Schools and Communities	84.186A	28-09-70-36	3,879
Fund for the Improvement of Education	84.215		247,737
Education Jobs Fund	84.410		146,924
HEAP	84.938K		52,678
Total Other Department of Education Programs			567,134
Total expenditures of federal awards			<u>\$ 1,374,112</u>

Notes to Schedule of Expenditures of Federal Awards

Note 1 - Summary of Significant Accounting Policies

a. Basis of Presentation

This schedule includes the federal grant activity of Warren Easton Senior High School Foundation Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

b. Accrued Reimbursement

Various reimbursement procedures are used for federal awards received by the School. Consequently, timing differences between expenditures and program reimbursements exist at the end of the year.

Note 2 - Reconciliation of federal grant revenues to expenditures of federal awards

Expenditures of federal awards during the year ended June 30, 2011	\$ 1,374,112
Disallowed expenditures identified in 2011	(62,377)
Total federal grants revenue	<u>\$ 1,311,735</u>

See independent auditors' report.

OTHER INDEPENDENT AUDITORS' REPORTS

Silva Gurtner & Abney

Certified Public Accountants & Consultants

Brent A. Silva, CPA
Craig A. Silva, CPA*
Thomas A. Gurtner, CPA*
Kenneth J. Abney, CPA, MS Tax*

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Warren Easton High School Foundation, Inc
New Orleans, Louisiana

We have audited the financial statements of Warren Easton High School Foundation, Inc. (the School), as of and for the year ended June 30, 2011, and have issued our report thereon dated September 26, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Warren Easton High School Foundation, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Warren Easton High School Foundation, Inc.'s internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Warren Easton High School Foundation, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements; noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, the Louisiana Legislative Auditor, the Louisiana Department of Education, and the Orleans Parish School Board. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silva Gurtner & Albney, LLC

September 26, 2011



Certified Public Accountants & Consultants

Brent A. Silva, CPA
Craig A. Silva, CPA*
Thomas A. Gurtner, CPA*
Kenneth J. Abney, CPA, MS Tax*

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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH
OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133**

Board of Directors
Warren Easton High School Foundation, Inc
New Orleans, Louisiana

Compliance

We have audited the compliance of the Warren Easton High School Foundation, Inc. (the School) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2011. Warren Easton High School Foundation, Inc.'s major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Warren Easton High School Foundation, Inc.'s management. Our responsibility is to express an opinion on the Warren Easton High School Foundation, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School's compliance with those requirements.

In our opinion, the School complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2011.

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Internal Control over Compliance

Management of Warren Easton High School Foundation, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Warren Easton High School Foundation, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors, the Louisiana Legislative Auditor, the Louisiana Department of Education, and the Orleans Parish School Board. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silva Gurtner & Abney, LLC

September 26, 2011

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified		
Internal control over financial reporting:			
Material weaknesses identified?	_____ yes	_____ X _____	no
Significant deficiencies identified			
not considered to be material weaknesses?	_____ yes	_____ X _____	none reported
Noncompliance material to financial statements noted?	_____ yes	_____ X _____	no

Federal Awards

Internal control over major programs:			
Material weaknesses identified?	_____ yes	_____ X _____	no
Significant deficiencies identified			
not considered to be material weaknesses?	_____ yes	_____ X _____	none reported
Type of auditors' report issued on compliance for major programs:	Unqualified		
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	_____ yes	_____ X _____	no

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

84.215	Fund for the Improvement of Education
84.410	Education Jobs Fund

Dollar threshold used to distinguish between Type A and Type B programs:	_____ \$ 300,000 _____
Auditee qualified as low-risk audit?	_____ X _____ yes _____ no

Section II - Findings related to the financial statements that are required to be reported in accordance with *Governmental Auditing Standards*

No findings and questioned costs for the year ended June 30, 2011.

Section III - Findings and questioned costs for federal awards under OMB Circular A-133 §510(a)

No findings and questioned costs for the year ended June 30, 2011.

**WARREN EASTON SENIOR HIGH SCHOOL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011**

Section II – Findings related to the financial statements that are required to be reported in accordance with *Governmental Auditing Standards*

Internal Control Financial Reporting

None noted

Section II – Findings and questioned costs for federal awards under OMB Circular A-133 §510(a)

None noted

**SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)**



Certified Public Accountants & Consultants

Brent A. Silva, CPA
Craig A. Silva, CPA*
Thomas A. Gurtner, CPA*
Kenneth J. Abney, CPA, MS Tax*

*Limited Liability Companies

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Warren Easton Senior High School Foundation, Inc.
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Warren Easton Senior High School Foundation, Inc. and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Warren Easton Senior High School Foundation, Inc. and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. Management of Warren Easton Senior High School Foundation is responsible for its performance and statistical data. This agreed-upon procedure engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property – not applicable,
 - Total State Revenue in Lieu of Taxes – not applicable,
 - Nonpublic Textbook Revenue – not applicable, and
 - Nonpublic Transportation Revenue – not applicable.

Findings: None

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Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school supporting payroll records as of October 1st.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's education level was properly classified on the schedule.

Findings: None

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Findings: None

Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Findings: None

Public School Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

Findings: None

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Findings: None

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data. We then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

Findings: None

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Warren Easton Senior High School Foundation, Inc.

Findings: Not applicable.

The Graduation Exit Exam (GEE) (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Warren Easton Senior High School Foundation, Inc.

Findings: None

The End-of-Course and iLEAP Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Warren Easton Senior High School Foundation, Inc.

Findings: None

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Warren Easton Senior High School Foundation, Inc., the Board of Directors, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silva Gurtner & Albney, LLC

September 26, 2011

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC
SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

Schedule 2 - Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principal's with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 4 - Experience of Public Principals and Full-time Classroom Teachers

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 5 - Public School Staff Data

This schedule includes average classroom teachers' salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

Not applicable.

Schedule 8 - Graduation Exit Exam (GEE)

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 9 - The End-of-Course and iLEAP Tests

This schedule represents student performance testing data and includes a summary score for courses Algebra I, English II, and Geometry and grades 3, 5, 6, 7 and 9 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
AND CERTAIN LOCAL REVENUE SOURCES
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 2,186,604	
Other Instructional Staff Activities		
Employee Benefits	711,931	
Purchased Professional and Technical Services	39,450	
Instructional Materials and Supplies	188,769	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities		3,126,754

Other Instructional Activities		6,922
--------------------------------	--	-------

Pupil Support Services	384,991	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services		384,991

Instructional Staff Services	450,480	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		450,480

School Administration	565,689	
Less: Equipment for School Administration	-	
Net School Administration		565,689

Total General Fund Instructional Expenditures		<u>\$ 4,534,836</u>
---	--	---------------------

Total General Fund Equipment Expenditures		<u>\$ -</u>
---	--	-------------

See independent accountants' report on applying agreed-upon procedures.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC
EDUCATION LEVELS OF PUBLIC SCHOOL STAFF
AS OF OCTOBER 1, 2010

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	30	62.5%	2	100.0%				
Master's Degree	16	33.3%			1	50.0%		
Master's Degree + 30	2	4.2%			1	50.0%		
Specialist in Education								
Ph. D. or Ed. D.								
Total	48	100.0%	2	100.0%	2	100.0%		

See independent accountants' report on applying agreed-upon procedures.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC
NUMBER AND TYPE OF PUBLIC SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 3

Type	Number
Elementary	
Middle/Jr. High	
Secondary	1
Combination	
Total	1

See independent accountants' report on applying agreed-upon procedures.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC
EXPERIENCE OF PUBLIC PRINCIPALS AND FULL-TIME CLASSROOM TEACHERS
AS OF OCTOBER 1, 2010

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals					1			1
Principals							1	1
Classroom Teachers	2	3	17	6	4	10	8	50
Total	2	3	17	6	5	10	9	52

See independent accountants' report on applying agreed-upon procedures.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC
PUBLIC SCHOOL STAFF DATA
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 5

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	\$49,613	\$49,196
Average Classroom Teachers' Salary Excluding Extra Compensation	\$49,558	\$49,169
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	51.3	48.3

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

See independent accountants' report on applying agreed-upon procedures.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
CLASS SIZE CHARACTERISTICS
AS OF OCTOBER 1, 2010

Schedule 6

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary								
Elementary Activity Classes								
Middle / Jr. High								
Middle / Jr. High Activity Classes								
High	34.41%	107	27.97%	87	19.94%	62	2.25%	7
High Activity Classes	0.64%	2	0.97%	3	2.57%	8	1.61%	5
Combination	5.14%	16	0.32%	1	0.64%	2	0.00%	0
Combination Activity Classes	1.61%	5	0.64%	2	0.00%	0	1.29%	4

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

See independent accountants' report on applying agreed-upon procedures.

**WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC
LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP)
FOR THE YEAR ENDED JUNE 30, 2011**

Schedule 7

This schedule does not apply to Warren Easton High School as grade levels for the school are grades 9 through 12.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC
GRADUATION EXIT EXAM (GEE)
FOR THE YEAR ENDED JUNE 30, 2011

Schedule 8

District Achievement Level Results	English Language Arts						Mathematics					
	2009		2010		2011		2009		2010		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	0	0.0%	1	0.5%	0	0.0%	3	1.3%	4	2.0%	12	5.4%
Mastery	12	5.4%	21	10.4%	21	9.5%	35	15.7%	23	11.3%	28	12.6%
Basic	139	62.3%	113	55.9%	133	59.9%	141	63.2%	131	64.5%	132	59.5%
Approaching Basic	59	26.5%	47	23.3%	61	27.5%	30	13.5%	27	13.3%	33	14.9%
Unsatisfactory	13	5.8%	20	9.9%	7	3.2%	14	6.3%	18	8.9%	17	7.7%
Total	223	100%	202	100%	222	100%	223	100%	203	100%	222	100%

District Achievement Level Results	Science						Social Studies					
	2009		2010		2011		2009		2010		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	1	0.5%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Mastery	20	9.9%	12	5.5%	12	5.9%	3	1.5%	5	2.3%	5	2.5%
Basic	110	54.2%	110	50.5%	102	50.2%	123	60.6%	142	65.1%	127	62.6%
Approaching Basic	55	27.1%	70	32.1%	66	32.5%	49	24.1%	49	22.5%	52	25.6%
Unsatisfactory	17	8.4%	26	11.9%	23	11.3%	28	13.8%	22	10.1%	19	9.4%
Total	203	100%	218	100%	203	100%	203	100%	218	100%	203	100%

See independent accountants' report on applying agreed-upon procedures.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC
THE END-OF-COURSE AND ILEAP TESTS
FOR THE YEAR ENDED JUNE 30, 2011

District Achievement Level Results	End-of-Course Tests									
	Algebra I					English II				
	2009		2010		2011		2009		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Excellent	21	10.82%	27	14.14%	16	8.74%	12	5.22%	19	9.50%
Good	66	34.02%	84	43.98%	97	53.01%	81	35.22%	94	47.00%
Fair	63	32.47%	60	31.41%	53	28.96%	82	35.65%	64	32.00%
Needs Improvement	44	22.68%	20	10.47%	17	9.29%	55	23.91%	23	11.50%
Total	194	100%	191	100%	183	100%	230	100%	200	100%

District Achievement Level Results	End-of-Course Tests			
	Geometry			
	2010		2011	
Students	Number	Percent	Number	Percent
Excellent	10	4.95%	12	5.58%
Good	33	16.34%	83	38.60%
Fair	94	46.53%	92	42.79%
Needs Improvement	65	32.18%	28	13.02%
Total	202	100%	215	100%

District Achievement Level Results	iLEAP Tests							
	English Language Arts				Mathematics			
	2010		2009		2010		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 9								
Advanced								
Mastery	10	4.74%	12	5.29%	6	2.84%	3	1.32%
Basic	144	68.25%	140	61.67%	22	10.43%	35	15.42%
Approaching Basic	53	25.12%	60	26.43%	137	64.93%	143	63.00%
Unsatisfactory	4	1.89%	15	6.61%	40	18.96%	31	13.66%
Total	211	100.00%	227	100.00%	211	100.00%	227	100.00%

* Effective for the year ended June 30, 2011, the iLEAP tests were replaced with the End-of-Course (EOC) tests.